

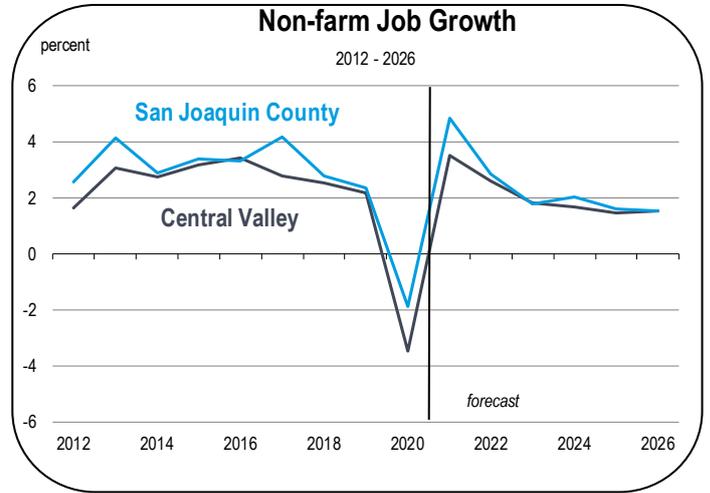
San Joaquin County Economic Forecast

Forecast Summary

- The county’s labor markets were not severely impacted by the pandemic. Job losses were principally limited to leisure and hospitality, and by much less than general California.
- Retail was impacted as was state and local government, but other labor markets avoided serious fallout.
- The unemployment rate averaged 11.3 percent in 2020. Unemployment should return to pre-pandemic levels by 2023.
- Farm, construction, manufacturing, information and healthcare will bounce back this year.
- Leisure and hospitality however will take about three years to recover. State and local government will take about two years to recover.
- Total employment recovers this year and the county will be in a strong position to expand its overall workforce in 2022, ahead of many coastal communities.
- Population growth remains positive throughout the forecast, led by positive net migration.

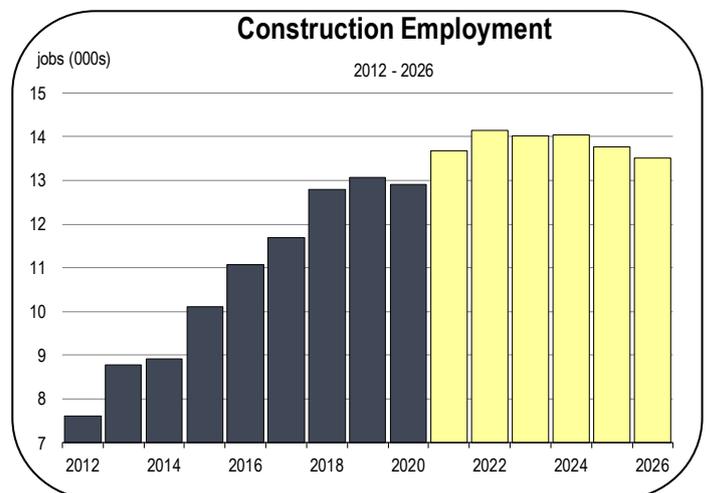
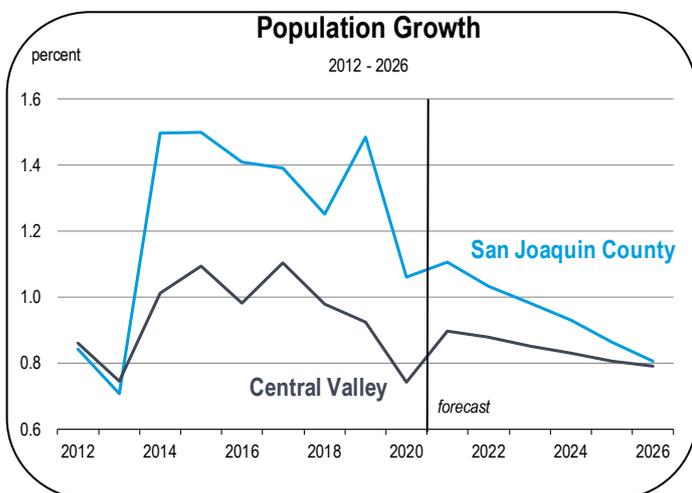
Job Growth

- Total employment in San Joaquin County will rebound by 4.8 percent in 2021 on an annual average basis.
- Between 2022 and 2026, job growth will average 1.9 percent.

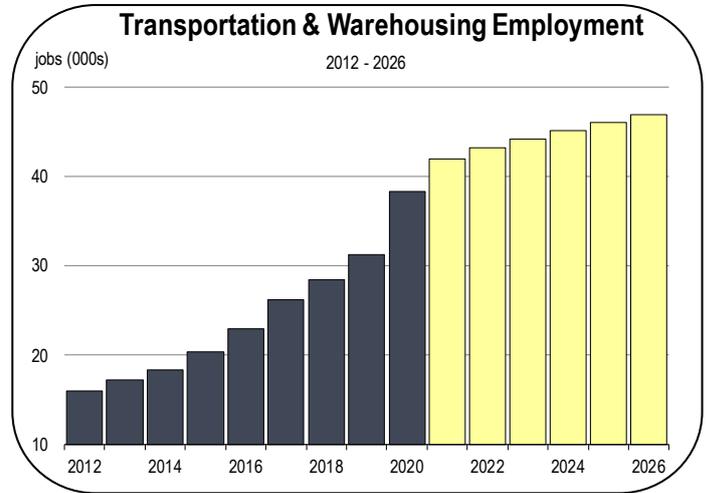
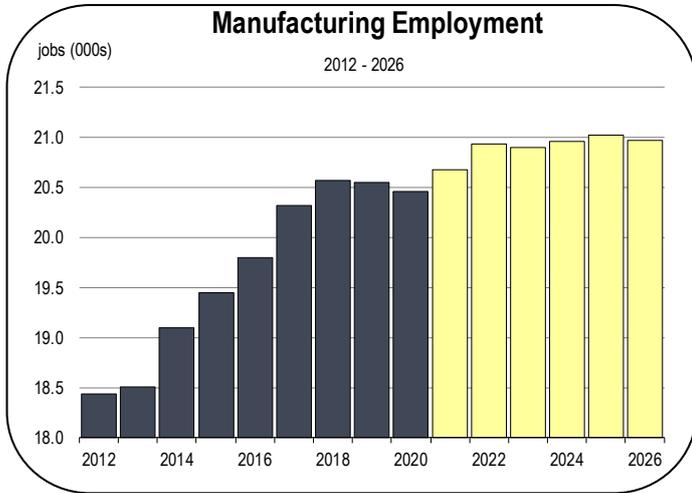


Construction Employment

- The construction workforce in the county nearly doubled in size since 2012.
- The pandemic momentarily interrupted this growth trend but as of early 2021 almost all construction jobs had been restored.
- Over the next 5 years, several thousand new units will be started and completed in Stockton and across the County. Employment within the construction trades is forecast to expand through 2022 or beyond. After 2022 the construction workforce is expected to be fully employed.



San Joaquin County Economic Forecast



Manufacturing Employment

- San Joaquin county has heavy concentrations in food manufacturing and construction material manufacturing.
- Mild growth in manufacturing is forecast over the next 5 years, though longer term, a contraction is likely due to robotics and other advances in technology.

Transportation and Warehousing Employment

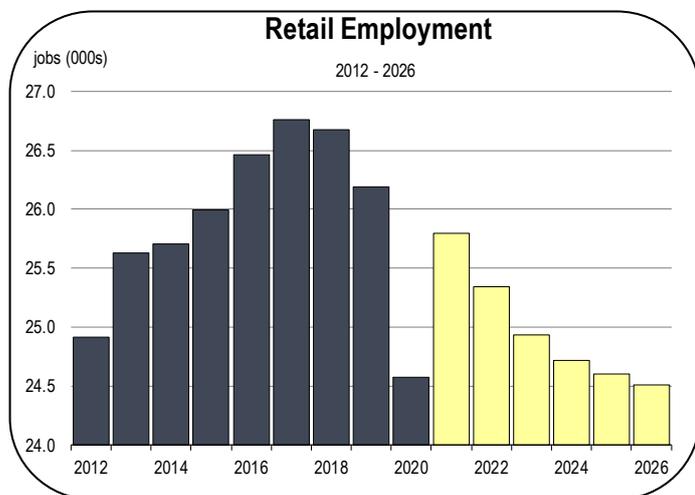
- Most transportation jobs in San Joaquin County are in trucking and warehousing, where firms deliver goods to and from businesses and store these goods in logistics facilities.

- Companies often choose San Joaquin County for their fulfillment centers due to its low-cost real estate and proximity to the Port of Oakland.
- Like most other regional economies in California, the transportation and warehousing sector was not impacted by the restrictions imposed on the economy during the ebb and flow cycles of the pandemic in 2020 and early 2021.
- The largest employer in this sector is Amazon, located in Stockton and in Tracy. The company’s facilities include warehousing, two fulfillment center locations in Stockton and two in Tracy totaling 4 million square feet, a logistics center in Tracy and Stockton, and the Amazon Gateway at the Stockton Airport.
- The City of Tracy alone estimates the total Amazon workforce at 4,437 employees.



Amazon fulfillment center in Tracy

San Joaquin County Economic Forecast



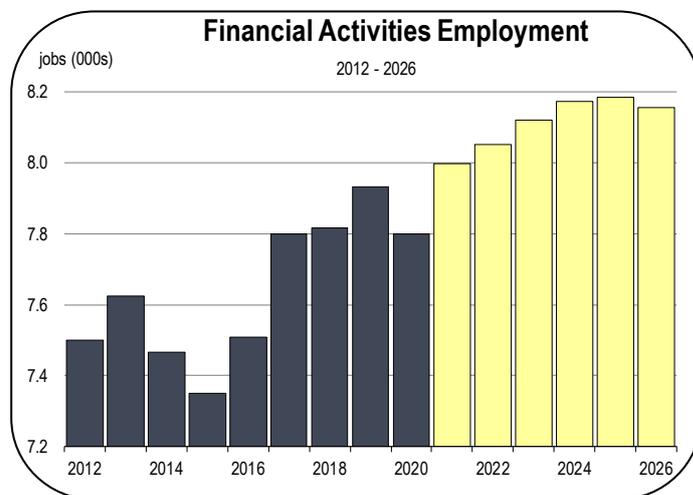
- The 2.2 million Safeway Distribution Center in Tracy employs an estimated 1,800 workers. Home Depot operates a 646,000 square foot distribution center also in Tracy. Smucker's distribution center is 480,000 square feet. Costco Distribution and Food Processing facilities are also located in Tracy, and employ approximately 650 workers.
- Costco has also formally proposed the construction and operation of two additional distribution buildings totaling 1.8 million square feet. The warehouses would support the existing distribution and e-commerce facilities in Tracy. In the August 2020 application for the project to the city, Costco estimated that 400 new jobs would be created.

Retail Trade Employment

- Retail jobs that were lost with the economic shutdowns during 2020 are mostly recovered in 2021, but the substitution by consumers to purchase goods online over local retail stores is creating the disruption in the retail trade labor market.
- Employment at local brick-and-mortar stores is susceptible to consolidation over time.

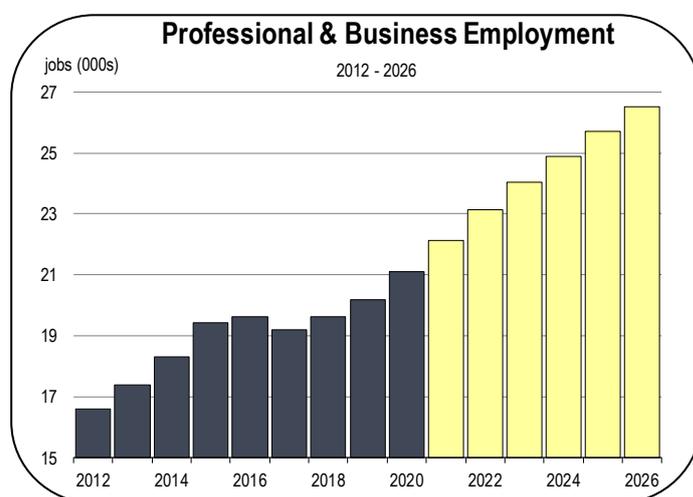
Financial Activities Employment

- The San Joaquin County financial activities industry is mostly comprised of real estate companies, banks, and insurance firms.
- Blue Shield employs about a quarter of the financial activities industry at its office in Lodi.
- The industry grows its workforce levels over the forecast. There will be a meaningful expansion of the real estate and banking industries to accommodate a rapidly growing population.

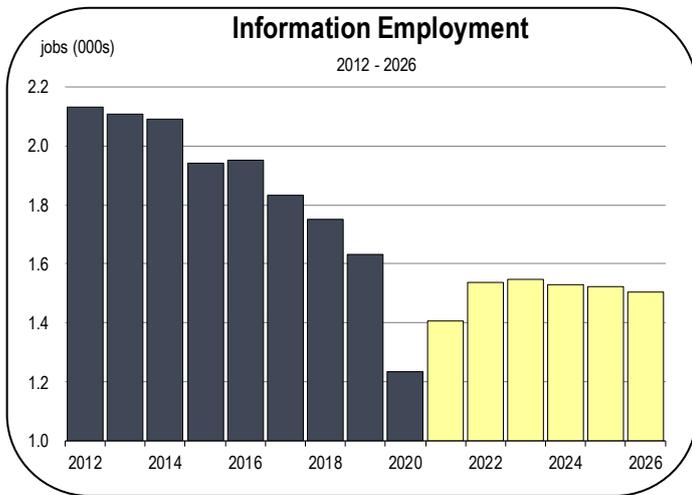


Professional and Business Services Employment

- The professional and business services industry has a diverse array of subsectors, and each was affected differently during the recession.
- The largest losses were staffing agencies, which typically employ temp workers.
- Temp workers are usually the first to be laid off during a recession and the first hired back during the recovery.
- The professional and business services sector is destined to create a major share of future jobs in San Joaquin County over the next several years.

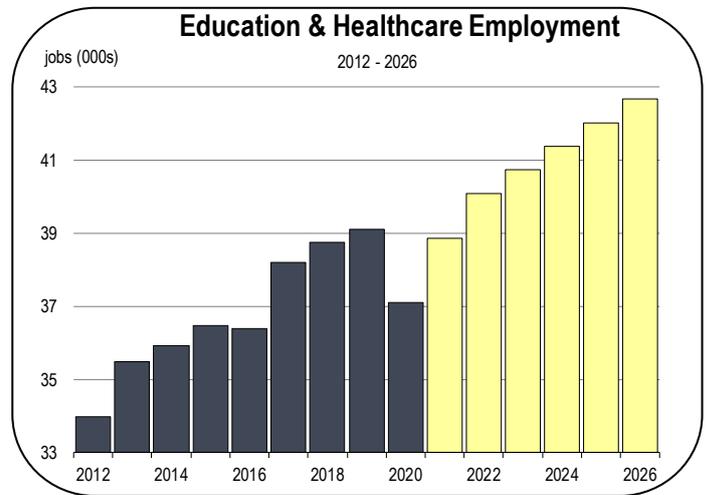


San Joaquin County Economic Forecast



Information Employment

- In San Joaquin County, the information sector is largely comprised of radio and TV broadcasting, movie theaters, and telecommunications companies like Comcast. It also has newspapers, software, Internet, and data services firms.
- The decline in job opportunities in information is the consequence of changing technologies that have resulted in downsizing the domestic telecommunications industry, cable and subscription programming, libraries, movie theaters, book, newspaper, and periodical publishing. This is no less true for the San Joaquin County information market.
- Employment growth will remain in some radio, TV, and video production, with small numbers of jobs also created in software publishing and data/Internet services.



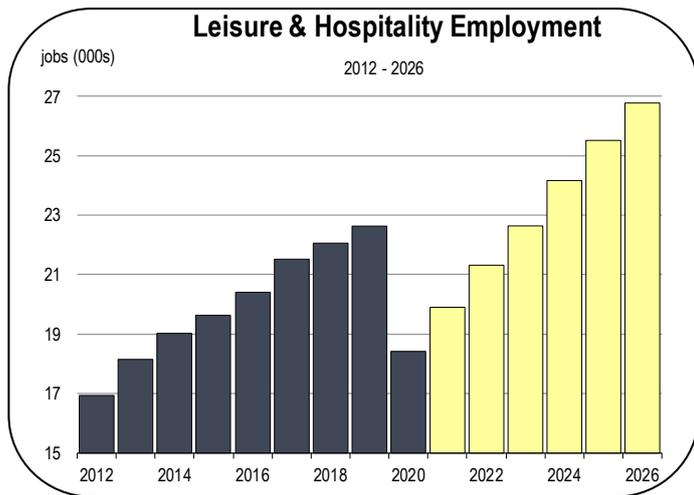
Private Education and Healthcare Employment

- Healthcare employment declined sharply in 2020 but has rebounded just as quickly.
- The largest healthcare providers in the County include:
 - Dameron Hospital
 - Lodi Home Health Agency
 - Lodi Memorial Hospital
 - San Joaquin General Hospital
 - St Joseph's Medical Center
- Because population growth is forecast to remain positive over the indefinite future, largely due to the natural increase but also as a result of net in-migration, healthcare services will remain in steady demand. The sector will create an estimated 5,600 jobs between 2020 and 2026.



Lodi Memorial Hospital

San Joaquin County Economic Forecast



Leisure and Hospitality Employment

- Leisure and hospitality firms were impacted by restricted business conditions more than any other type of company, but compared to greater California, San Joaquin County employment declined less in this sector.
- On an annual average basis, 2,500 jobs were lost at restaurants and bars, a decline of 13 percent.
- More than 150 jobs were lost at hotels and motels (14 percent) and almost 900 jobs were lost at gyms, fitness centers, and performing arts centers (34 percent).
- Leisure and hospitality employment could rebound sharply in the second half of 2021 due to a surge in travel, dining, drinking, and recreation throughout San Joaquin County.
- Jobs are recovered this year and next, but complete recovery is not forecast until the 2nd half of 2023.

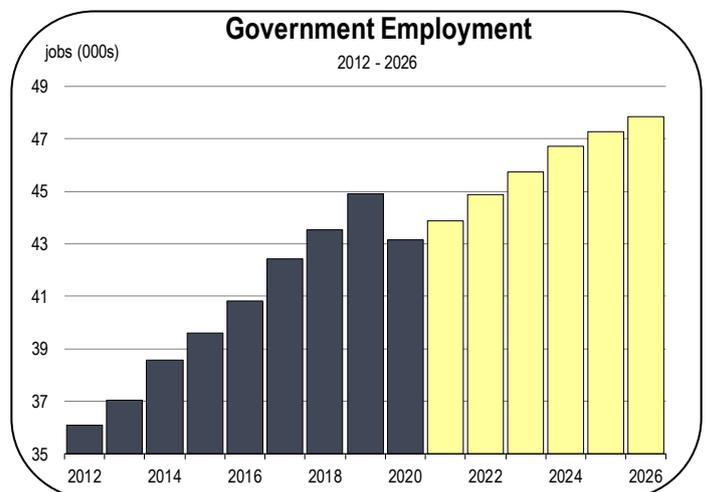
Government Employment

- The public sector employs 40,000 workers in the County.
- Although this sector is forecast to grow, private employment growth will exceed public sector growth, largely due to the demand for professional workers and warehouse and transportation distribution workers.

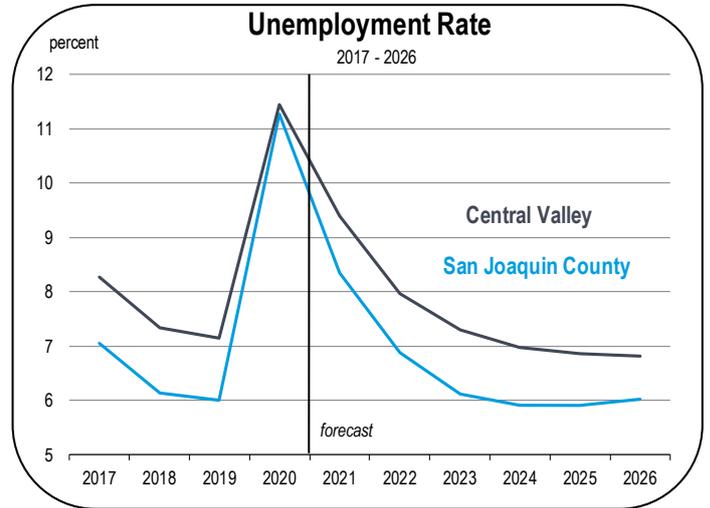
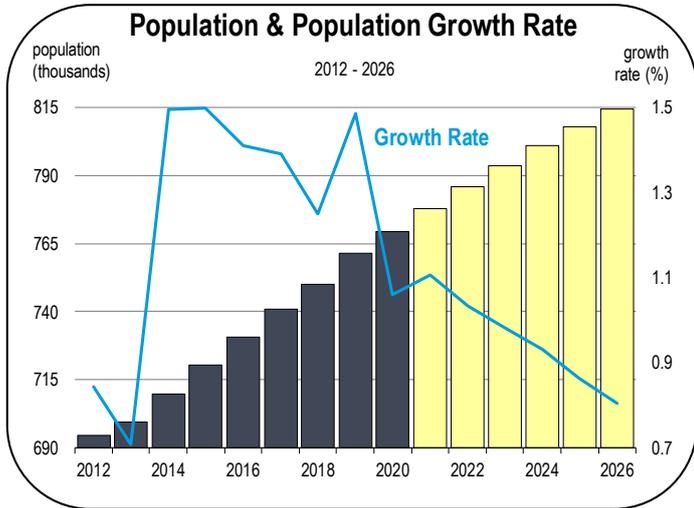
- The largest public sector employers include:

Organization	Headcount
San Joaquin County Human Resources	7,000
Stockton Unified School District	4,100
Lodi Unified School District	2,800
City of Stockton	1,750
Manteca Unified School District	1,600
Tracy Unified School District	1,400
California Department of Corrections	1,200
San Joaquin Delta Community College	1,000
Lincoln Unified School District	950
University of the Pacific	930
California Youth Authority	900

- K-12 school enrollment is forecast to remain relatively constant over the next 5 years, but university, college, and community college age populations will rise gradually.

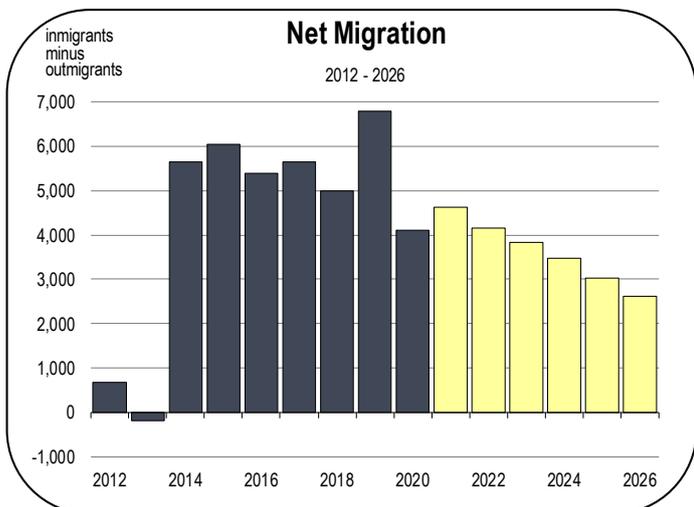


San Joaquin County Economic Forecast



Population Growth

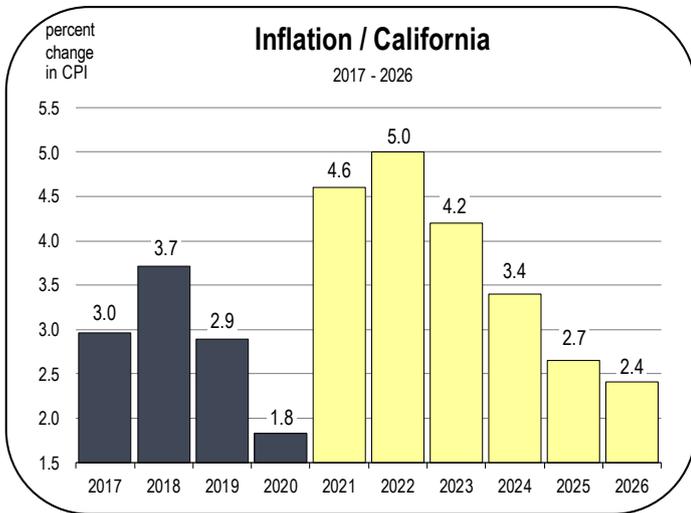
- The San Joaquin County population is expected to expand more quickly than the California average between 2021 and 2026.
- Net migration is expected to be a meaningful contributor to population growth as residents relocate from Coastal California for the affordable housing options in San Joaquin County.
- An average of 3,600 net migrants are expected to move into San Joaquin County each year between 2021 and 2026.
- The population will expand at an annual average rate of 1.0 percent per year from 2021 to 2026. By 2026, the San Joaquin County population will surpass 810,000 residents.



Unemployment and Inflation Rates

- The unemployment rate averaged 11.3 percent in 2020. An unemployment rate below 7.0 percent signifies a fully employed workforce in San Joaquin County.
- The unemployment rate is expected to average 8.3 percent in 2021 and 6.9 percent in 2022.
- Inflation decelerated sharply in 2020, largely because energy prices declined when the demand for fuels plunged.
- Inflation soared in 2021 and is expected to remain elevated for several years.
- Over the forecast period, there will be a number of factors that will contribute to high inflation. The most prominent will be:
 - Record levels of spending by consumers and government agencies
 - Fractures in the global supply chain that raise the cost of production for many businesses
 - Sharp increases in the cost of housing and energy
 - Labor market recruitment challenges that force companies to raise wages
- Combined, these factors will push inflation to its highest rates in 30 years. Ultimately, it will reduce the purchasing power of households and negatively impact consumer confidence, limiting the growth potential of the economy in 2022.

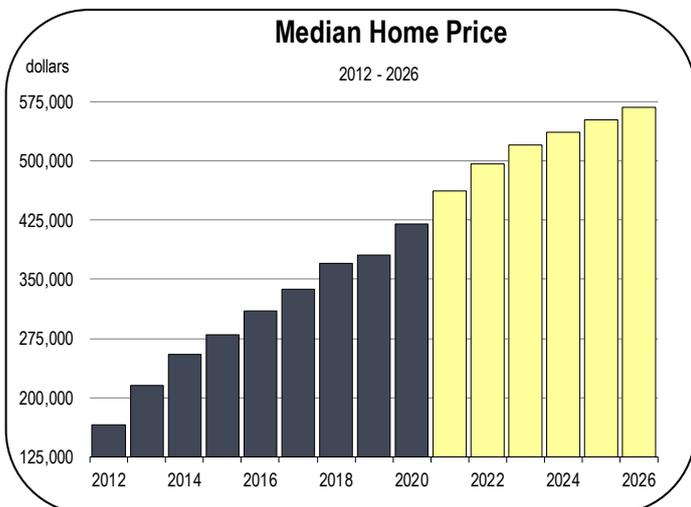
San Joaquin County Economic Forecast



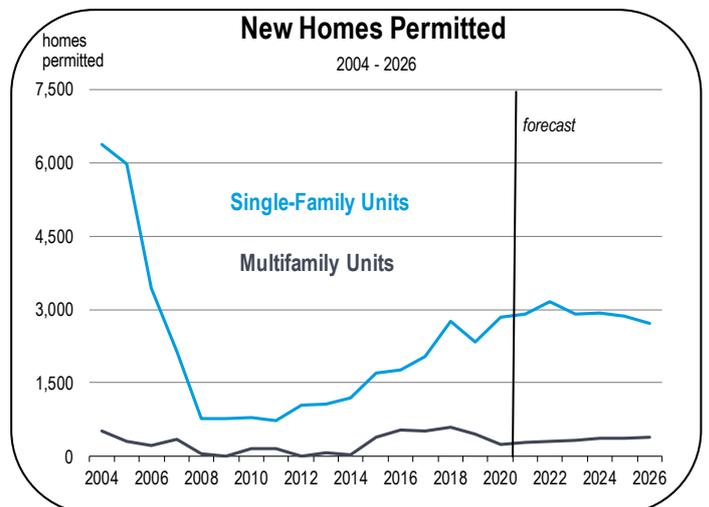
- However, inflation will begin to decelerate as supply chains and the labor force are restored by the second half of the forecast period, eventually falling below 3 percent.

Home Prices and New Housing Production

- In 2020 the median home price in San Joaquin County was \$419,600, an increase of 10 percent from the previous year.
- Homes in San Joaquin County are more affordable than homes across California, especially Coastal California.
- In San Joaquin County, the typical household spends less than 25 percent of its pre-tax income on mortgage payments or rent.
- Along Coastal California the typical household spends more than 35 percent of income on housing costs, and in very expensive markets like San Francisco, housing costs often account for more than 50 percent of income.



- There is significant construction occurring in San Joaquin county, both residential and non-residential.
- Residential and non-residential development represent key engines of growth for San Joaquin County in the short term.
- From 2015 to 2020, an average of 2,700 new homes were started per year in San Joaquin County. Approximately 83 percent were single-family homes.
- Housing production is expected to average 3,300 units per year from 2021 to 2026.
- New homes will be built in many parts of the county, but activity will be heavily concentrated in Stockton, Manteca, and Tracy.
- Several large projects have been approved that could bring 20,000 new homes to Stockton, 6,800 homes to Manteca, and 1,400 homes to Tracy.
- River Islands is 10,800 home planned community adjacent to the San Joaquin River delta in Lathrop. The first phase of 4,284 homes is built. Phase 2 (1,180 homes) is under construction.
- A larger master plan has also been underway since 2001, called Mountain House, located in southwestern San Joaquin County.
- The 40 year Mountain House project envisions a total new population of 44,000 people, living in 16,000 homes located in 12 neighborhoods. Currently, the community population is estimated at 18,000 people.
- An incorporation feasibility study was completed in October 2020 and the Mountain House Community Services District has applied to LAFCO to become the County's 8th City.



San Joaquin County Economic Forecast

Economic Indicators

2015-2020 History, 2021-2050 Forecast

	Population (people)	House- holds (thousands)	Net Migration (people)	New Homes Permitted (homes)	Registered Vehicles (thousands)	Personal Income (billions)	Taxable Retail Sales (billions)	Total Taxable Sales (billions)	Real Industrial Production (billions)	Real per Capita Income (dollars)	Unemployment Rate (percent)	Real Farm Production (billions)	Inflation Rate (percent)
2015	720,537	221.4	6,034	2,085	632	\$29	\$7	\$11	\$5.7	\$46,033	8.9	\$3.1	1.4
2016	730,691	224.0	5,385	2,305	659	\$31	\$7	\$11	\$5.4	\$46,694	8.1	\$2.6	2.3
2017	740,859	226.0	5,648	2,545	667	\$32	\$8	\$12	\$5.7	\$46,779	7.1	\$2.7	3.0
2018	750,120	228.9	4,994	3,362	683	\$34	\$9	\$13	\$5.9	\$46,969	6.1	\$2.7	3.7
2019	761,258	232.4	6,789	2,797	708	\$36	\$9	\$14	\$6.1	\$48,047	6.0	\$2.7	2.9
2020	769,322	234.8	4,105	3,088	720	\$38	\$10	\$15	\$7.3	\$49,474	11.3	\$2.6	1.8
2021	777,838	237.8	4,625	3,181	735	\$40	\$10	\$15	\$7.6	\$50,131	8.3	\$2.6	4.6
2022	785,883	241.0	4,155	3,465	751	\$42	\$10	\$15	\$7.8	\$50,771	6.9	\$2.7	5.0
2023	793,608	244.4	3,832	3,239	762	\$44	\$10	\$16	\$8.0	\$51,637	6.1	\$2.7	4.2
2024	800,987	247.6	3,475	3,286	775	\$46	\$10	\$16	\$8.1	\$52,392	5.9	\$2.7	3.4
2025	807,899	250.9	3,028	3,236	785	\$48	\$10	\$16	\$8.3	\$52,999	5.9	\$2.7	2.7
2026	814,407	254.1	2,619	3,118	794	\$50	\$10	\$17	\$8.4	\$53,554	6.0	\$2.7	2.4
2027	820,485	257.2	2,213	2,912	803	\$52	\$11	\$17	\$8.6	\$54,118	6.2	\$2.7	2.2
2028	826,146	260.1	1,795	2,809	812	\$54	\$11	\$17	\$8.7	\$54,708	6.4	\$2.8	2.3
2029	831,864	262.9	1,805	2,634	821	\$56	\$11	\$18	\$8.8	\$55,044	6.3	\$2.8	2.2
2030	837,615	265.5	1,818	2,500	831	\$58	\$11	\$18	\$8.9	\$55,421	6.3	\$2.8	2.2
2031	843,211	268.0	1,819	2,375	839	\$60	\$12	\$18	\$9.0	\$55,787	6.3	\$2.8	2.3
2032	848,680	270.3	1,847	2,323	846	\$62	\$12	\$19	\$9.1	\$56,020	6.3	\$2.8	2.2
2033	854,023	272.6	1,825	2,224	854	\$64	\$12	\$19	\$9.2	\$56,456	6.3	\$2.8	2.0
2034	859,189	274.9	1,809	2,130	861	\$67	\$12	\$20	\$9.3	\$56,829	6.3	\$2.8	2.1
2035	864,204	277.0	1,785	2,036	867	\$69	\$13	\$20	\$9.5	\$57,170	6.3	\$2.8	2.1
2036	869,036	279.0	1,781	1,977	874	\$71	\$13	\$21	\$9.5	\$57,353	6.3	\$2.9	2.2
2037	873,717	281.0	1,782	1,893	880	\$74	\$14	\$21	\$9.6	\$57,493	6.3	\$2.9	2.2
2038	878,164	282.8	1,765	1,809	886	\$76	\$14	\$22	\$9.7	\$57,738	6.3	\$2.9	2.2
2039	882,423	284.6	1,758	1,752	892	\$79	\$14	\$23	\$9.7	\$57,905	6.3	\$2.9	2.2
2040	886,402	286.4	1,749	1,722	898	\$82	\$15	\$23	\$9.8	\$58,110	6.3	\$2.9	2.1
2041	890,077	288.1	1,719	1,640	903	\$84	\$15	\$24	\$9.9	\$58,458	6.3	\$3.0	2.2
2042	893,537	289.7	1,688	1,552	908	\$87	\$15	\$24	\$10.0	\$58,844	6.3	\$3.0	2.1
2043	896,837	291.3	1,656	1,464	913	\$90	\$16	\$25	\$10.1	\$59,236	6.3	\$3.0	2.0
2044	899,993	292.7	1,620	1,382	918	\$92	\$16	\$25	\$10.2	\$59,683	6.3	\$3.0	2.2
2045	902,982	294.1	1,594	1,305	923	\$95	\$16	\$25	\$10.3	\$60,074	6.3	\$3.0	2.2
2046	905,871	295.4	1,579	1,232	927	\$98	\$17	\$26	\$10.4	\$60,395	6.3	\$3.0	2.2
2047	908,680	296.6	1,580	1,166	932	\$100	\$17	\$27	\$10.4	\$60,606	6.3	\$3.0	2.2
2048	911,426	297.8	1,585	1,105	936	\$103	\$17	\$28	\$10.5	\$60,767	6.3	\$3.0	2.3
2049	914,033	298.9	1,571	1,050	940	\$106	\$18	\$28	\$10.5	\$61,057	6.3	\$3.1	2.0
2050	916,510	299.9	1,563	998	944	\$109	\$18	\$29	\$10.6	\$61,315	6.3	\$3.1	2.1

Employment Sectors

2015-2020 History, 2021-2050 Forecast

	Total Wage & Salary	Farm	Construction	Manufac- turing	Transportation & Utilities	Wholesale & Retail Trade	Financial Activities	Professional Services	Information	Health & Education	Leisure	Government
	(thousands of jobs)											
2015	234.8	16.7	10.1	19.5	20.3	36.6	7.4	19.4	1.9	36.5	19.6	39.6
2016	242.0	16.7	11.1	19.8	23.0	37.2	7.5	19.6	2.0	36.4	20.4	40.8
2017	251.1	16.4	11.7	20.3	26.2	37.9	7.8	19.2	1.8	38.2	21.5	42.4
2018	256.9	15.6	12.8	20.6	28.4	38.3	7.8	19.6	1.8	38.8	22.0	43.5
2019	262.4	15.4	13.1	20.6	31.3	37.8	7.9	20.2	1.6	39.1	22.6	44.9
2020	256.6	14.3	12.9	20.5	38.3	35.0	7.8	21.1	1.2	37.1	18.4	43.1
2021	268.9	14.8	13.7	20.7	42.0	36.5	8.0	22.1	1.4	38.9	19.9	43.9
2022	276.3	15.0	14.1	20.9	43.2	36.4	8.1	23.1	1.5	40.1	21.3	44.9
2023	281.0	15.1	14.0	20.9	44.2	36.2	8.1	24.0	1.5	40.7	22.6	45.7
2024	286.4	15.1	14.0	21.0	45.1	36.2	8.2	24.9	1.5	41.4	24.2	46.7
2025	290.7	15.1	13.8	21.0	46.0	36.4	8.2	25.7	1.5	42.0	25.5	47.3
2026	294.9	15.1	13.5	21.0	46.9	36.5	8.2	26.5	1.5	42.7	26.8	47.8
2027	298.7	15.1	13.1	20.9	47.7	36.7	8.1	27.3	1.5	43.3	28.0	48.4
2028	302.8	15.1	12.8	20.9	48.6	37.0	8.1	28.1	1.5	44.0	29.1	49.0
2029	306.7	15.1	12.5	20.9	49.3	37.2	8.0	28.9	1.5	44.6	30.1	49.5
2030	310.8	15.1	12.3	20.9	50.1	37.6	8.0	29.7	1.5	45.2	31.1	50.0
2031	314.2	15.1	12.0	20.9	50.8	37.8	8.0	30.5	1.5	45.8	31.8	50.5
2032	317.5	15.1	11.8	20.9	51.5	38.0	8.0	31.3	1.6	46.4	32.4	50.9
2033	320.6	15.1	11.6	20.9	52.1	38.3	8.0	32.1	1.6	47.0	32.9	51.3
2034	323.6	15.1	11.4	20.9	52.8	38.7	8.0	32.9	1.6	47.6	33.2	51.6
2035	326.3	15.1	11.2	20.9	53.4	38.9	8.0	33.6	1.6	48.2	33.5	52.0
2036	329.0	15.1	11.0	20.9	53.9	39.2	8.0	34.4	1.6	48.7	33.8	52.3
2037	331.6	15.1	10.7	20.9	54.5	39.5	8.0	35.2	1.6	49.3	34.0	52.5
2038	334.2	15.1	10.5	20.9	55.0	39.8	8.0	35.9	1.6	49.8	34.3	52.8
2039	336.6	15.1	10.4	20.8	55.5	40.1	8.0	36.7	1.6	50.3	34.5	53.0
2040	339.2	15.1	10.3	20.8	56.0	40.4	8.0	37.4	1.6	50.8	34.8	53.2
2041	341.5	15.1	10.3	20.8	56.5	40.6	8.0	38.2	1.7	51.3	35.0	53.4
2042	343.9	15.1	10.3	20.8	56.9	40.8	8.0	38.9	1.7	51.7	35.2	53.5
2043	346.0	15.1	10.2	20.8	57.3	41.0	8.0	39.7	1.7	52.1	35.5	53.7
2044	348.1	15.1	10.0	20.8	57.7	41.2	8.0	40.4	1.7	52.5	35.8	53.8
2045	350.1	15.1	9.8	20.8	58.1	41.4	8.0	41.1	1.7	52.9	36.1	54.0
2046	352.1	15.1	9.6	20.8	58.5	41.6	8.0	41.8	1.7	53.3	36.3	54.1
2047	353.9	15.1	9.5	20.8	58.9	41.9	8.0	42.5	1.7	53.7	36.5	54.2
2048	355.7	15.1	9.3	20.7	59.2	42.1	8.1	43.2	1.7	54.0	36.7	54.3
2049	357.5	15.1	9.3	20.7	59.5	42.2	8.1	43.8	1.7	54.3	36.9	54.4
2050	359.3	15.1	9.2	20.7	59.8	42.5	8.1	44.5	1.7	54.7	37.1	54.5

San Joaquin County Economic Forecast

Socioeconomic Indicators

